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8 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 LEFT COAST VENTURES, INC.,

11 Plaintiff,

12 v.

13 BILL'S NURSERY, INC. et al.,

14 Defendants.

CASE NO. C19-1297 MJP

ORDER TO SHOW CAUSE

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16 THIS MATTER comes before the Court *sua sponte*. Having reviewed the Complaint
17 (Dkt. No. 1, Ex. B), Defendants' Motion to Dismiss (Dkt. No. 6), the Response (Dkt. No. 10),
18 the Reply (Dkt. No. 11), and the related record, the Court finds the Contract at issue may be
19 unenforceable under the Federal Controlled Substances Act ("CSA"), 21 U.S.C. § 801 et seq.

20 Plaintiff seeks an order requiring Defendants to sell their marijuana distribution business
21 to Plaintiff (Compl., ¶ 39). Although Washington law governs the breach of contract claim,
22 "where it is alleged that an agreement violates a federal statute, courts look to federal law." Polk
23 v. Gontmakher, No. 2:18-CV-01434-RAJ, 2019 WL 4058970, at *2 (W.D. Wash. Aug. 28,


1 2019) (citing Kelly v. Kosuga, 358 U.S. 516, 519 (1959) (“the effect of illegality under a federal
2 statute is a matter of federal law”).

3 While the Ninth Circuit recognizes “[n]uanced approaches to the illegal contract
4 defense,” the relief ordered may “not mandate illegal conduct.” Bassidji v. Goe, 413 F.3d 928
5 (9th Cir. 2005)). Ordering specific performance in this case may require mandating illegal
6 conduct. In a similar case from this district, the plaintiff sued his former partner in a marijuana
7 growing business, alleging he was entitled to an ownership interest in the business and past and
8 future profits. Polk, 2019 WL 4058970, at *2. Noting the nuanced approaches to the illegal
9 contract defense, the court distinguished between awarding the plaintiff damages, which may
10 have been permissible, and granting his request for an ownership interest in a business that was
11 illegal under federal law. Id. at *2 (quoting Bassidji v. Goe, 413 F.3d 928 (9th Cir. 2005)).
12 Similarly, the Plaintiff here is seeking an ownership interest in a marijuana distribution business.

13 The Parties are therefore ORDERED TO SHOW CAUSE within seven days of this Order
14 why the Court should not dismiss this action. Oral argument on Defendants’ Motion to Dismiss
15 is stricken. (Dkt. No. 15.) If the Court does not dismiss the case on these grounds, oral
16 argument will be rescheduled on Defendants’ Motion to Dismiss, (Dkt. No. 6).

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18 The clerk is ordered to provide copies of this order to all counsel.

19 Dated October 31, 2019.

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22 Marsha J. Pechman
23 United States District Judge
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